

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508

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FOR IMMEDIATE RELEASE:
NOVEMBER 7, 2002

02-107
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**U.S. Seeks WTO Consultations with Venezuela
in Dispute over Rules Restricting U.S. Agricultural Imports**

WASHINGTON - The United States today requested dispute settlement consultations with Venezuela at the World Trade Organization (WTO) to discuss its import licensing practices that restrict annual imports of a wide range of U.S. agricultural goods including corn, dairy products, fruits, poultry and beef to approximately \$200 million.

Venezuela has failed to establish an open and predictable system for issuing import licenses, and has severely restricted trade in U.S. agricultural goods. The import practices also appear to be inconsistent with numerous World Trade Organization obligations.

“We hope that Venezuela will take our concerns seriously and use the consultations as an opportunity to bring its import regime for agricultural products into full compliance with WTO rules,” said U.S. Trade Representative Robert B. Zoellick. “America’s farmers have world-class products, and they are willing and eager to compete in the global marketplace. When the rules of trade are open and fair, everyone benefits.”

Venezuela has used a variety of discretionary import licensing practices to impede or prevent imports of agricultural products. For example, in the case of corn, Venezuela has tied the issuance of import licenses to the purchase of domestically produced feed grains, leading to nearly a 60 percent decline in corn imports over the past year. Other trade-restrictive practices include the failure to publish rules and information concerning licensing procedures, and delays in processing applications.

Venezuela’s import licensing practices have hurt U.S. exports of agricultural products such as corn, sorghum, dairy products (cheese, whey, whole milk powder, and non-fat dry milk), grapes, yellow grease, poultry, beef, pork, and soybean meal.

The first step in a WTO dispute is for both parties to formally consult. The United States will request consultations with the Government of Venezuela on November 7. Venezuela has 30 days by which to agree to consult with the United States. If U.S. concerns are not addressed through consultations, the United States can then proceed to request the formation of a WTO dispute settlement panel.

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